

Credit for a Tax Liability Paid to Another State or Country

Last Name and Initial	Social Security Number
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Instructions. You may claim a credit for an income tax liability paid to another state or country by yourself, an S. corporation or a partnership. If you claim this credit for a tax liability paid to another state or country by an S. corporation or a partnership, you must add back to income on Form 2, line 23 your share of the entity's deduction for income tax paid, whether separately or non-separately stated on your Federal K-1.

Please note:

- The credit is limited to an income tax liability paid on income that is also taxed by Montana.
- Income taxes include excise taxes or franchise taxes that are imposed on and measured by the net income for an S. corporation or partnership.
- This credit is nonrefundable and can not reduce your Montana tax liability below zero.
- Unused credits can not be carried over.
- Separate computations must be made for each state or country.
- A part-year resident must allocate income using Form 2A, page 2, Schedule III when calculating this credit.

Schedule V - Full year Resident-Credit Allowed for an Income Tax Liability Paid to Another State or Country.**Attach Copy of Out-of-State Return**

	Column A (For joint, separate or single)	Column B (For spouse when filing separate, and box 3 is checked)
1. Income from other state or country included in Montana adjusted gross income. This includes where applicable, the share of income taxes paid which are claimed as a deduction by an S. corporation or a partnership.	1.	
2. Total income from other state or country used in calculating the income tax paid to the other state or country. Include income exempt from Montana income tax.	2.	
3. Total Montana adjusted gross income from Form 2. This includes where applicable, the share of income taxes paid which are claimed as a deduction by an S. corporation or a partnership.	3.	
4. Total income tax liability paid to other state or country	4.	
5. Montana tax liability from Form 2, line 43	5.	
6. Line 1 divided by line 2, but not greater than 100%	6.	
7. Line 4 multiplied by line 6	7.	
8. Line 1 divided by line 3, but not greater than 100%	8.	
9. Line 5 multiplied by line 8	9.	
10. The allowable credit is the lower of lines 4, 7, or 9. Enter here and on Form 2A, Schedule II	10.	

Schedule VI — Part/year Residents-Credit Allowed For an Income Tax Liability Paid To Another State or Country**Attach Copy of Out-of-State Return**

	Column A (For joint, separate or single)	Column B (For spouse when filing separate, and box 3 is checked)
1. Income from other state or country included in Montana adjusted gross income and reported on Form 2A, Schedule III, line 124. This includes where applicable, the share of income taxes paid which are claimed as a deduction by an S. corporation or a partnership	1.	
2. Total income from other state or country used in calculating the income tax paid to the other state or country. Include income exempt from Montana income tax	2.	
3. Total Montana income from Form 2A, Schedule III, line 124. This includes where applicable, the share of income taxes paid which are claimed as a deduction by an S. corporation or a partnership	3.	
4. Total income tax liability paid to other state or country	4.	
5. Montana tax liability from Form 2, line 43	5.	
6. Line 1 divided by line 2, but not greater than 100%	6.	
7. Line 4 multiplied by line 6	7.	
8. Line 1 divided by line 3, but not greater than 100%	8.	
9. Line 5 multiplied by line 8	9.	
10. The allowable credit is the lower of lines 4, 7, or 9. Enter here and on Form 2A, Schedule II	10.	

When you file your Montana income tax return electronically you represent that you have retained all documents required as a tax record and that you will provide a copy to the department upon request.